

Summary

Senator Fraser's 2007 Pension Budget (SB 5668)

Revise Pension Gain-Sharing

Pension gain-sharing for the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), and School Employees' Retirement System (SERS) Plans 3 would be revised. The next potential gain-sharing distribution would take place in 2008 according to the current program. Instead of future gain-sharing payments, a choice of either Plan 2 or Plan 3 would be extended to new members of TRS and SERS. Current members hired before July 1, 2007, would retain gain-sharing.

Comparison of Total Employer Contribution Rates*

System	In Effect	Adopted**		Sen. Fraser's Proposal**	
	2006-07	2007-08	2008-09	2007-08	2008-09
PERS	5.28%***	6.46%	8.02%	6.46%	8.02%
TRS	4.56%	7.38%	9.15%	7.38%	9.15%
SERS	4.67%	7.76%	9.06%	7.76%	9.06%
PSERS	8.35%****	8.66%	9.54%	8.66%	9.54%

* Excludes the administrative expense rate.

** Fiscal year rates to complete phase-in. Effective 7/1/2007 & 7/1/2008 for PERS and PSERS; 9/1/2007 & 9/1/2008 for TRS and SERS.

*** PERS employer rate was 3.51% from 7/1/2006-12/31/2006.

**** PSERS employer rate was 6.58% from 7/1/2006-12/31/2006.

Projected Employer Pension Contributions (Estimate; GF-S in millions)*

The table below compares projected employer contributions from the State General Fund under current policy to projected employer contributions under Senator Fraser's proposed pension budget (SB 5668). The 25-year savings to the State General Fund is projected to be \$890 million.

Period	Current Policy	Sen. Fraser's Proposal (SB 5668)	Increase / (Decrease)
2007-08	\$362	\$362	\$0
2008-09	\$509	\$509	\$0
2009-10	\$628	\$634	\$6
2010-11	\$663	\$667	\$4
2011-12	\$700	\$702	\$2
2012-13	\$739	\$739	\$0

* Includes estimates for LEOFF and WSP.

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